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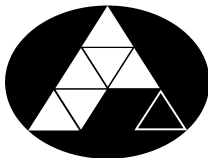
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IMPROVING THE FOLLOW-UP OF INCENTIVES IN PARTNER  
PROGRAMS

Thesis  
May 2012

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<p>Author Jenni Tuomela</p>		
<p>Title Improving the Follow-up of Incentives in Partner programs</p> <p>Commissioned by Company X</p>		
<p>Abstract</p> <p>The goal of this thesis was to explore the current status and develop the different procedures used in incentive programs. This thesis is done as an assignment to Company X, which operates in the field of information technology together with the world's leading IT companies. Each partner company has its own incentive programs so the follow-up has been a challenge to execute.</p> <p>Both functional and qualitative methods were used in this study. Facts were gathered by observing and collecting documents and data in Company X's database. Finnish and English books and articles are the base of the theoretical background.</p> <p>During the process it became evident that the actual goal to create an informative table was not possible to reach. Lack of accessible information in the partner's systems made the thesis to consist more development suggestions only. This subject can be studied further when the information is more accessible in the partner's systems.</p>		
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Nimeke  
Kannustinjärjestelmien seurannan parantaminen kumppaniohjelmissa

Toimeksiantaja  
Yritys X

**Tiivistelmä**

Opinnäytetyön tavoitteena on kuvata kumppanien käyttämien kannustinjärjestelmien nykytilanne, kehittää järjestelmistä saatavaa tietoa ja luoda kokoava taulukko eri kannustimista. Tutkimus tehtiin toimeksiantona Yritys X:lle, joka toimii informaatioteknologian alalla muodostaen kumppanuuksia maailman johtavien IT-yritysten kanssa. Kannustinjärjestelmien periaatteet ovat erilaiset jokaisen kumppanin kohdalla, eikä selkeää kannustimien seurantaa ole tehty.

Tutkimuksessa käytetään sekä toiminnallisen että laadullisen tutkimuksen metodeja. Tiedot on kerätty havainnoimalla ja keräämällä tietoa yrityksen tietokannoista. Suomen- ja englanninkieliset kirjat ja artikkelit luovat teoreettista pohjaa tutkimukselle.

Prosessin aikana huomattiin, että varsinaisen taulukon luominen ei ole mahdollista, sillä järjestelmistä saatavat tiedot eivät olleet saatavilla oikeassa muodossa. Opinnäytetyön luonne muuttui kuvaamaan kehittämis ehdotuksia ja itse prosessia. Opinnäytetyön tavoitteen toteuttaminen on mahdollista tulevaisuudessa, kun tieto on paremmin saatavilla.

Kieli  
englanti

Sivuja

26

Asiasanat  
Kannustimet, kumppanuus, tietotekniikka

# **1 Introduction**

An incentive is a way of motivation. Incentives are a natural way of encouraging personnel by offering them financial incentives for good performance. Using financial incentives to motivate people is one principle of positive reinforcement. (DuBrin 2011, 413.) Incentives can also be shared to partner companies as an encouragement based on sold services and products. This thesis focuses on these kinds of incentives to companies: how they are formed, collected and how the processes can be improved.

Companies discussed in this thesis are working in the field of information technology, IT. Company X is a Nordic corporation that works closely together with the world's leading IT corporations. It forms partnerships with big IT companies and both parties benefit from the collaboration. The partners offer incentives for encouragement to Company X to assemble its products to customers. With the help of the co-operation, Company X will have competitive advantage and coverage in marketing. At the same time partners will have a reliable supplier to its products.

## **1.1 Information technology**

Information technology, IT, means producing telecommunication devices, services, software, contents and support services (Employment and Economic Development Centre). The branch of IT is nowadays one of the significant main fields of industry. The breakthrough started during the 1990's when IT revolutionized every method concerning gathering of information. Information flows fast and diverse and it has changed the concepts of business life. Though the time of modern technology has not lasted more than 20 years, significant changes are seen already. (Rusko 2005, 560-562.) For example, based on OECD Broadband statistics (2011), business use of broadband was almost 100 % in Finland year 2009. Only seven countries used more broadband in business life.

A current trend is to outsource IT services such as desktop PC support or supported IT-functions. That has enabled IT industry to continue to generate a strong demand of IT

servers, PCs and laptops. In a recession, companies of all sizes postpone upgrading their IT. Downturns in economy make the sector vulnerable and it has already been seen during the current downturn in the sector worldwide. (QFinance 2010, 1.)

In Finland, the revenue of IT-companies was 7 billion euros in 2011, growing 10 % from year 2010. The amount of commissions increased towards the end of 2011 but was not as high as during February 2011. The essential reason for the increase was the trend when other branches and the public sector outsourced services to IT-companies. As a result of the economic crisis in 2008, the amount of personnel was reduced from 52 000 being now about 48 000. (Teknologiateollisuus 2012.)

Company X is one of the leading suppliers of IT infrastructure in Finland and in the Nordic Countries. It has several offices around the Nordic Countries and Finland. Company X delivers IT products from leading IT corporations to private and public sector. By knowing customer's needs and actions, Company X can offer customized and complete solutions to all its various customers. Company X delivers complete services of information technology: personal systems, printers, scanners, memory, storage, networking, cables, phones etc. Added value services consist of planning, implementation, training and support services. Through e-commerce products are quickly available and ordered. Company X is committed to responsible environmental consciousness and has received quality and environmental certificates.

## **1.2 Goal**

The goal of this thesis was to explore the current status and develop the different procedures used in incentive programs. Each partner company has its own incentive programs that vary within partners so a thorough survey needed to be done to find out the ways incentives are determined. Among other things, certificates, goals and the amount of purchases are elements that have an effect on how the incentive is formed. An explicit follow-up would help the company to get essential information out of the various systems that partners are using.

The thesis was done as an assignment for Company X that wishes to get a benefit from this follow-up. The branch is constantly developing and new procedures vary a lot. The client wished to have a table created with Microsoft Excel. The table would consist every current incentive the company is receiving from its partners, the formulas and the amounts of the incentives. The company can use the outcome in the future to add new incentive programs and to follow them up. The goal was to optimize every incentive and reaching it requires having specific definitions. Setting up targets is not necessary in this project, only the description of the current status and development ideas for improving the follow-up.

During the process of this study the goal changed from the original idea to consist more of development ideas than actual product and table. To create an actual table became impossible because of the shortage of information in the portals and also the lack of know-how to execute it. Nevertheless, my external point of view to the branch and company will yield development suggestions that the Company X's personnel might have not considered before.

### **1.3 Research methods**

Method is a procedure to solve for instance practical problems when observation in research is about collecting material using the method of observing. The research method consists of the ways and systems the findings are gathered. Observations are handled critically, they are being analyzed and finally based on it the collecting views are formed. In a case study many different methods are exploited. (Hirsjärvi, Remes & Sajavaara 2009, 183, 135.)

Hirsjärvi etc. (2009, 134-135) continues that a case study is detailed, intensive information of one individual case. Typical features of a case study are that one individual case is selected, procedures are usually in line and the case is surveyed connected to its surroundings. Data is collected with observing, interviewing and studying documents. Documents can be for example published texts, articles, statistics, annual reports, news and books (Anttila, P. 2005, 202). The theoretical knowledge for this thesis is gathered from books, Internet sources and scientific articles both in Finnish

and English. Company X offered documents and access to portals to survey the procedures Company X and its partners are using.

Procedures vary within companies and for this reason there is little written information concerning inter-firm partnerships. Finnish literature only slightly touches on these types of partnerships and the same applies to foreign literature. Some scientific articles both in Finnish and English are written concerning the subject from this point of view. Yet the theoretical basis stays rather short.

Functional thesis means briefing and guiding practices in the professional field. It can be a guidebook, instructions for safety or organizing an event or a meeting. A thesis can be in a form of a book, a portfolio, a file or a website. The thesis should combine the execution in practice and the required reporting. (Vilkka & Airaksinen 2003, 9.) This thesis has functional features since it was supposed to be completely a functional thesis. As the project continued and the goal changed, qualitative methods also came along.

The idea of qualitative research is to explicate and create a comprehensively explaining model about the phenomenon in question. The data is collected in natural and actual situations. The researcher trusts in her own observations and conversations with the examinees while the target group is selected expediently, not randomly. (Anttila 2005, 276; Hirsjärvi etc. 2009, 161–164.)

This thesis is defined as classified, so pseudonyms are used to conceal original companies.



## **2 Partnerships**

The relationship between Company X and other corporations are described as partnerships. A partnership means relationships of both companies and the operations between them. It combines and controls both economical and human capital. In addition, it is often a regular relationship with established and intensive collaboration. Companies work together to reach shared goals and results from their actions. (Ståhle & Laento 2000, 11; Kuvaja & Malmelin 2008, 116; Hakanen, Heinonen & Sipilä 2007, 77.)

Partnerships can range from informal ventures to more formal affairs with operating procedures. Desiring long-term collaboration needs to focus on relationship and trust building among members. Trust with knowledge capital and added value are described as three basic elements in partnerships. The more knowledge the partner's share with each other, the bigger possibilities there are to increase added value and integration. Partnership and competition completes each other in the markets. With the collaboration, systems are ensured to work safely together. (Eddy 2010, 27; Ståhle & Laento 2000, 26; Nortio 2004, 75.)

### **2.1 Types of partnerships**

In a successful organization sustainable partnerships are created to support the strategy. Partnership is strategic when the share and importance in sales is big with the partner in cooperation. Strategic management has risen during the past two decades as a distinct field of study. Firms have started to create competitive advantages through effective inter-firm collaborations. Collaborative advantage requires a focus on the entire value chain to optimize the performance of it. Well-managed, collaborative arrangements can be a lasting source of competitive advantage as it makes the firm more flexible and puts more diverse set of resources at its disposal. On the other hand, it exposes partners to new risks. (Tuominen 2010, 4a -3; Hakanen ym. 2007, 166; Dryer 2000, 3; Tsupari & Rouvinen 2004, 1.)

Strategic alliances are voluntary inter-firm agreements aimed to achieve competitive advantage for the partners. The resource-based view will give otherwise unavailable competitive advantages and values to the firm. (Das T.K & Bing-Sheng Teng 2000, 33-36.) Partnerships will give opportunities to reach potential customers that would not be possible as easily without the partnership. Bigger corporations have gained a brand that is recognized through thousands of people. When a smaller company starts a partnership with it, it will have competitive advantage towards competitors. As a counterpart, big corporation gains a reliable partner to represent its products and services.

The most significant factor in resource-based customer-supplier relationships is the increased strategic dependency. Companies are dependent on resources gathered in their operational environments. It is not only about production resources but also dependence concerning customers. When developing a status in the networking circle where companies are one-to-one in one's resources, profitability and competitive position rise considerably. (Vesalainen 2006, 148.)

Inter-firm relationships are traditional and modern organizational form. In practice they appear as strategic alliances, regional and global networks and value-adding partnerships. Inter-firm relationships are recognized as competitive tools increasingly within companies. Rapid changes in the environment can be handled more sufficient than only an individual company could deal. Maintaining own capacity hardly seems worthwhile even for relatively large firms. In horizontal inter-firm collaboration, the firms are by definition working in the same industry (Research group 2012; Juliana, Kartalis, Tsamenyi & Cullen 2009, 149-150; Tsupari & Rouvinen 2004, 1).

According to Batonda & Perry (2000, 1464), in inter-firm network relationships, one stage features long-term rewards based on mutual behaviour and trust. It includes also internal monitoring systems and development of adjustment process. The stage is described as relationship maintenance process where integration of operations and strategies happens. It is rare that inter-firm relationships go through a definite step-by-step development process, because they prefer easing in to relationships incrementally and cautiously.

## **2.2 Pros and cons**

Partners can combine their know-how to create something more than working independently. Partnership is a long-term commitment but it is not developed automatically and it can be a challenging way of co-operation. Adaptation to its methods is a long and demanding process. (Kuvaja & Malmelin 2008, 121; Antola & Palm 2007, 4).

The root cause of partnerships is improving competitive position and profitability. It is also about strengthening know-how, development, collecting information and learning. Innovativeness, credibility, input resolution to market's changes, sharing risks, cost reduction, getting in to new markets and combining it. (Hakanen etc. 2007, 25.) The list could go on with all the positive effects a partnership has on a company.

A successful partnership can also have downsides. Combining independence and freedom with mutual dependence can be a challenge, as well as individual visions and strategies with the shared ones. Partners must be conscious of the risks and each other's actions, its quality and ethicalness. Customers, consumers other partners in cooperation will link the partners to company's brand. If a partnership is cancelled due to lack of trust or neglect, both parties are threatened by financial and reputational risks among losing changes to network again. (Hakanen 2007, 28-29; Kuvaja & Malmelin 2008, 121).

## **2.3 Partner portals and programs**

Partner portals are used to gather information about the company in question; it's procedures and the terms of the partner programs. News, offers, products, prices and training among other things can also be found in these portals. Portals can be accessed universally, but most of the information is secured for the eyes of the partners' representatives only. Company X has approximately six different partners that have their own portals, procedures and partner programs.

As an example, one of the biggest IT corporations has a program that encourages and rewards partners' outstanding performance while helping partners to increase their top and bottom lines. When applying for a partner program, companies will have competitive advantage towards competitors. Different targets like in sales volume and reaching certificates must be met to benefit from the program financially. Contracts supervise that equal legislations and regulations are followed among every partner. Specializations are possible when fitting in to certain criteria. Criteria are checked quarterly, and if they are not fulfilled, incentives are not paid for that specialization. (Company presentation 1, 2012.)

When being a partner with the principal, the company has different benefits. First are the incentives that can also be described as sales compensation grounds for performance. The company also offers a named contact person, support for marketing and the rights to special pricing. Partnering company gains coverage in search engines and marketing campaigns. (Company presentation 1, 2012.)

Registration to the partner's portals requires giving one's email address. Partners are really active in sending different emails. During this study, emails concerned invitations to educational events and seminars, newsletters and announcements of new products. Depending on the month, there was from two to three emails received weekly. Some partners sent emails less frequently. Posts from them were mostly about accepting payments.

## **2.4 Customers**

Company X provides IT-solutions to companies and consumers, mostly to medium sized and large enterprises in private and in public sector. The sales procedure starts with the need coming from customer's side to order the service or the product Company X is offering. On the company's side, the completeness is primarily thought regardless of the different IT-brands. Yet, usually customers have certain preferences to specific appliances that they have used before.

Personal experience plays a big role and the customer usually likes to stick on the preferred brand. If the wanted product can not be reasonably carried out with the primary supplier, Company X's sales personnel will suggest a substitutive product to fulfill the need. The most profitable product is suggested primarily, but it is always the customer's need that decides the final product. (Interview 1, 2012.)

Company X has an e-commerce online where the products can be bought. PCs, servers, storage, keyboards, scanners, printers, phones and Microsoft Office 365 among other products can be quickly purchased online after creating own account. Registration to the e-commerce requires being a staff member of a company. Individual consumers can not register. Under the online website producers warranty information is been also gathered to help customers in case they need it.

Bigger purchases need more negotiations with the customer and producer and hereby are not done via e-commerce. When investing in example to a videoconference room costing 300 000 EUR, it requires scoping several options. Company X will discuss about the pricing and other practical issues with the producer. Nevertheless, in long-term partnerships, mutual prices are defined equally appointed criterions, not by negotiating (Tuominen 2010, 4a-15). When the product is finally decided, it is been delivered and charged. (Email 1, 2012.)

In the customer's point of view, the partnership between Company X and corporations shows indirectly and directly. Company X represents only the products offered and produced by its partners: other products are not available. Customers can see the options of products and services directly by browsing through Company X's selection. Represented products are advertised more visibly and they have special offers to support the sales. Nevertheless, customers are most likely taken to some specific brand, which is selected primarily.

Behind these products and services there are certain targets big corporations have during certain period of time. At the same time Company X will try to fulfill the corporations' target as efficient as possible but it also has to be loyal to the customer. In Company X's quality system the first item is customer satisfaction that can be carried out with appointed products and services under specified processes. Money coming from the

incentives is used to develop the quality of the service the partner companies are offering to customers. Incentives are not and can not be used to the customer's benefit.

### 3 Incentives

Incentives are used as encouragements to partners' companies to assemble their products and software. In various partner portals, partners define how the incentives are formed and what the company needs to do to gain the incentives. For example the company needs to assemble x amount of products and services to gain x amount of money back from the company offering the service. Certain achievement levels must be reached to have incentives, but they are not shared endlessly: e.g. after 150 % the paid amount will not grow.

First the company charges the customer for the delivered product or service, and afterwards the partner pays the incentive to Company X. Usually it is done quarterly. Gathered incentives can be seen in partner portals, and they will be paid to Company X's account. Partner manager has to confirm the credit note of receivable incentives in advance via email.

There are different ways in how incentives are formed. Following two tables will show one example of incentive's, its goals, achievement, rebate rate and paid amount.

Table 1. Example of two incentives

Incentive	Achievement	Rebate Rate
Incentive 1	75% to 99.9%	1.5%
	100%+	3.0%
Incentive 2	75% to 99.9%	1.25%
	100%+	2.5%

Table 1 describes an example of how incentives can be formed. When achievement level is between 75 % and 99,9 % for incentive 1, rebate rate is 1,5 % of the goal amount. When reaching goal over 100 %, rebate rate is 3 %. For incentive 2 the rebate rate for both less than 100 % and more than 100 % is lower, 1,25 % and 2,5 %.

Table 2. Realized incentive 1

Incentive 1	Q1	Q2	Q3	Q4	Annual
Goal	100,000	150,000	150,000	200,000	600,000
Achievement	150,000	125,000	100,000	250,000	625,000
% Achievement	150 %	83 %	67 %	125 %	104%
Rebate Rate	3 %	1.5 %	0 %	3 %	3%
<b>Rebate Amount</b>	<b>4,500</b>	<b>1,875</b>	<b>0</b>	<b>7,500</b>	<b>18,750</b>

In table 2 there is an example of one realized year that is also divided in to quarters. Each quarter has its own goal and towards the end of the year goals are getting higher. Targets have been met with over 100 % during the first and fourth quarters, but for the second and third there has been some shortage in sales. By reason of it, for Q3 incentives can not be paid, but when reaching the achievement rate over 75 % in Q2, rebate rate 1,5 % can be paid of the achievement amount 125 000.

Every business unit and product has its own goals that vary quarterly and yearly. When each partner has their own products and targets, following them up becomes challenging.

### 3.1 Reporting

Reporting is not only about producing balance sheets and other financial reports, but also about giving an overall picture of company's financial and functional stage. Reporting must tell how, why and where the business is going and how the internal and external factors have affected the present and future. Analyzing the history, the present and the future with reporting will help to react and forecast the future better. (Alhola & Lauslahti 2005, 173.)

Reporting of corporations can be divided in to strategic quarterly reporting and operative reporting. Short-range reporting will give more detailed information about the



current stage and helps to lead one's operations. Operative reporting serves personnel working in the different levels. (Alhola & Lauslahti 2005, 174.)

### **3.2 Partner K portal**

The following chapters will describe an example on how in one portal, offered by Partner K, the incentives are reported.

In Partner K's portal, information about the incentives is shared in different forms. On the first page there is a sum up of the current quarter's compensation. The second page consists a graph, table and filters. Period, business unit and incentive names can be changed using the filters. Based on the selection, the information in the graph and table are changed. Under incentive names there opens a more detailed list about the current status, target, actual, achievement percentage and bonus.

Nearly all of the information in the portal is available only in the network environment. Yet one part of the incentives, the bonuses, can be reached in an Excel-form after the quarter has ended. Clicking a link "complete payment overview for all rebates" opens a simple Excel-sheet. Rebate type, period, segment, year, month, product line and bonus are listed among payment dates and order numbers.

### **3.3 Partner K report**

Company X receives from Partner K a quarterly formed sheet about the certain incentives. It is based on the information found in the partner portal, but it is in a much more informative form. First, the sheet is divided based on the different business units. Every business unit has its target quarterly, which is found in the next columns. It is followed by achievement percentage that is counted by dividing the actual sales with the target. Bonus is specified by the defined bonus rate for each incentive.

The sheet can be ordered from Partner K's representatives also during the ongoing quarter. Columns projected exit, achievement and bonus are calculated based on the

beginning of the quarter. With the forecast it is possible to predict upcoming bonuses and follow how much sales need to be done to achieve the target. The final columns are about potential levels that are pre-defined. In example, if the achievement percentage would grow as high as 130 %, the bonus would be three times more than when reaching 80 %.

The partner manager of Company X is in close contact with the partner's representatives. Partners send different reports quarterly and annually. The problem is that the sheet must be asked separately from the Partner K's representative. This process takes unnecessary time. Company X's liaison officers wish to form similar type of information sheet based on the information received from the partner portal. Company X's financial department will also benefit from the created sheet. Forecasting and seeing if the company is focusing on the right partners will be improved. (Interview 1, 2012.)

## 4 Results

The goal was to create a sheet where all the different incentives are gathered from various partner's portals. Present situation was that all portals offered diverse information in different forms. One of the biggest partners offers an informative table as a report, but it has to be always ordered separately. With a combined sheet forecasting and following-up incentives would be easier to do.

As I observed and contemplated the portals and reports, I noticed workable and unworkable parts. When it came to creating the sheet based on the information found in portals, execution of it came more challenging than thought beforehand. Only one part of the incentives, the received bonuses, was already in the form of an Excel worksheet. But the worksheet itself had also issues that complicated the use of it. It was not possible for example to calculate the bonuses directly, because the form of the figures was wrong. If that problem would be corrected on the partner's side, gathering the sums of the bonuses to another sheet would have been possible with "sum.if"-function in Excel.

Other information provided in the portal was only accessible at the current website. They were in the form of tables, but when copying it to in Excel, all the numbers and words were copied in the same columns and rows. With some work it would have been possible to divide it in to separate columns and rows, but the question was that would the principle have time to do it every time when copied from the source.

After exploring the printed report from first quarter of 2012, the table from Partner K, I noticed all the sums did not match. I revised it by creating a similar table to a separate Excel worksheet and adding the same amounts. In one business unit, the target was correct but the actual amount and received bonus were calculated twice in the total sum. I could not recognize what was the source of the fault.

#### **4.1 Development suggestions**

Partner K offers only when requested the informative sheet Y about its incentives. There might be some justified reasons behind it, that why in the portal the information is not that readable and clear. If some better report wants to be created, the data should be in a form that suits Excel. Now, when it's only a simple table in a website, it can not be processed further. Compatible forms and formulas would make it possible. The data must be somewhere because it is exploit for the sheet Y, but for some reason it is not accessible. Taking contact to Partner K's responsible and asking whether if it is possible, creating own type of table would be then realizable.

The ordered report is very informative to a person who understands all the abbreviations. Every business unit has its one abbreviation, as well as the products. Partner manager of Company X told that abbreviations are commonly used in the world of information technology, so for the people working with it every day it is not that hard to understand. Links to commonly used abbreviations in the actual table would be helpful if more exterior people process it further.

There are also three other partners that have similar type of incentives than partner K. Incentives concern storage and models of it are quite simple. I received the model of one, but not access to its portal. Hereby describing portals functions can not be done. Whether in the portals material is accessible via Excel, comparisons would be easy to gather in a combined sheet.

#### **4.2 Sales personnel**

Rewarding is a tool of leadership that supports company's success and encourages personnel to operate according to company's goals, strategy and values. Rewarding can be divided in to immaterial and financial rewarding. As a point of view of leadership, best and most motivational ways are the immaterial rewards: career and social rewards, status symbols, self-development, public acknowledgement and feedback. All in all, people need feedback from work almost constantly. Appreciation but also developing

feedback from colleagues, manager and customers is very important. (Kauhanen 2010, 88; 97; 102.)

According to Company X's partner manager (Interview 1, 2012), salespersons do not know about the compensation programs and incentives gathered from partners. Each vendor has own targets and marginal profits to achieve. Incentives do not directly effect on the vendor's targets, but it has other influences. Company X can use the gained incentives to development and education, but still it is considered unnecessary to tell the vendors about these compensation programs.

In my opinion, it would be good to let the vendors know about these types of incentives. Goal, actual and achievement percentage are defined accurately for every incentive inside each business unit and product. Each bonus has a certain formula, so the idea would be possible to describe. When it also can be seen during ongoing quarters that are goals being reached quite easily or are they still far away, it would be a tool of motivation towards salesperson.

The sheet could be shown to the sales personnel regularly each month or every two months. Present stage and forecast would interest vendors to see where the situation is going. After seeing the current status of for example sold laptops, vendors would know to sell it more if it is necessary. If storage is lacking from its goal, focus should be more on it and so on. Encouraging verbally could raise the spirit and give good atmosphere.

## **5 Process and Conclusion**

The process for the thesis began at the end of year 2011. Supervising teacher received the subject from his contact during October 2011. I decided to take it because it sounded such an interesting subject and my personal goal to do a useful thesis to a principal company would happen. This subject sounded challenging but also a possibility to learn new things and procedures.

Contact persons from Company X were the controller and the partner manager. One of the company's offices is located in Joensuu, but the contact persons and headquarters are located in Helsinki. We had a few meetings together with supervising teacher and one with the controller via videoconference. Emails were also sent to define the targets when meeting face-to-face was not possible due to the long distance. Eventually in November 2011 final goals were set and contracts signed.

When the goal was decided and clear, the next question was the method. First I thought it would be a combined qualitative and functional thesis and gathered some theoretical background of it. When it came to look only about creating a table, functional approach was the only choice. After noticing the table was not a possibility, the thesis started to have also qualitative features. So, eventually, the original plan of having qualitative and functional methods came true.

The base of theory started to pile up slowly but steady. For me the company, branch and subject of the thesis were unfamiliar beforehand so it took a lot of time to get acquainted with it. I explored and found many sources concerning incentives in the perspective of motivating workers and partnerships concerning networking. The problem was that both of those are very commonly used but neither was related to this subject. I noticed that procedures vary among partnerships so there is little written information available in published about the procedures. Most of the information is available only in internal systems. Asking help from the information specialist of North Karelia University of Applied Sciences and searching eagerly helped me found a few usable sources. NKUAS's portal Nelli was used a lot during the whole project. Contact person of Company X also provided some sources.

## 5.1 Collecting data

After understanding the project in question better, it was time to gather actual documents about Company X and its partners. I was in contact with partner manager of Company X via email and got access to a few portals. First she had to accept me as a guest to portals, and I then created own account to portals. In the portals I could search the policies partners are using do define incentives, which were not available in public.

I started working with the portals by browsing through all the sites and links. I noticed that there was a lot of different kind of information, also unnecessary for this project. In the first portal, offered by the biggest partner, the necessary data was difficult to find. Following the visit I paid to Company X's headquarters in Southern Finland in spring 2012, it was possible to understand the information in the portals better. During the visit we also discussed about the goals again together with the partner manager. She informed me that the first portal has also the most complicated terms of incentives, so we decided together to leave this partner out of the project and focus only on the second biggest partner.

Luckily I had not actually written a lot about the first portal but working with it was still useful. Observing it had brought some ideas up and it made it easier to explore the second portal. It was true that the data was much more informative and the site clearer and more user-friendly all in all. In the meeting the partner manager showed and gave me their own copy of the table Partner K is offering and wished to receive a similar table as a product if possible.

In Partner K's portal I first observed what it consisted, and then explored it more thoroughly. In addition with the information found in the portal, I familiarized myself with the printed table. I wrote down what the different abbreviations meant to see the big picture better. Then I compared the information in the portal to the printed table. I used coloring and notes to define what is behind every total sum. Then I started to notice the differences and the shortage of information provided in the actual portal.

## 5.2 Challenges and successes

I faced quite a lot of challenges during the process. At first I did not know where to start, because I was not really sure what the subject was about. I searched information from various sources, mostly using Nelli-portal with different keywords. It took enormous amount of time and still I always came up with the same conclusion that 99 per cent of the material does not relate to this matter. Eventually some theoretical background started to pile up slowly in the actual report and I was able to understand the current matter through theory.

It was also challenging to understand all the abbreviations and different regulations the incentives had. Every business unit, product and incentive seemed to have its own abbreviation. Information was also spread to numerous sources: Word and PDF documents, PowerPoint-presentations and Excel-sheets. Every partner and incentive has specific terms and none of them has similar formulas. The client company would have wished to see what information is the most essential, but it would require working with the formulas daily to fully understand them and see what is essential.

When I was working at the same time and when the subject was not familiar at all, process was drawn out later than originally planned. It combined to the fact that sometimes the clients were hard to get in contact, and the deadline delayed further. Having different people responsible of the guiding the targets were a challenge to set. As an example, creating the table seemed first as a feasible idea when discussing it together with the controller and directive teacher. My possibilities to execute the table seemed impossible, so I asked opinion on the teachers of information technology in NKUAS. With their help it was realized that the table could not be formed with the information provided in the portals. After noticing that, the project could go on with the different perspective.

Despite the challenges, I learned a lot of new terms and some pieces of the enormous world of partnerships. Using English was also a good idea. I could say I developed in all stages: reading, translating and writing English. Searching information in various sources like Ebsco (Academic Search Premier) and e-books in Ebrary improved my skills in information retrieval.



### **5.3 In conclusion**

Though the results were not as originally planned, I wish the client found this thesis useful. My external point of view to the company and branch brought development ideas. Though the written part is not that long in length, the whole process took a lot of time and effort. This project developed my language skills, taught me a lot of new things and a new branch I was not familiar beforehand. Working with information technology teachers showed the cooperation business students could do with technical sciences.

Reaching the original goal in the future and creating the table the client requested is possible. It only requires help from the Partner's side: either making the information more accessible and ready or giving access to more informative tables and data. Upgrading would then be conceivable. The person who carries it out should have some working experience in this growing branch, so that the beginning and getting acquainted with the subject would not take too much time.

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